

House Republican Press Release

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Scribner Calls for Cut in Gross Receipts Tax



Brookfield Legislator Says Special Session May Be Needed

HARTFORD- Representative David Scribner (R-Brookfield) today issued a call for a cut in the gross receipts tax on petroleum products; a tax which he says combines with state and federal taxes on gasoline to drive up costs at the pumps.

The gross receipts tax on petroleum products in the state is applied to the wholesale transaction between the distributor and the oil company. The tax is applied before resale, and the cost is generally passed on to the consumer. Since it is based on wholesale prices and not the volume of the petroleum products, it generates far more tax revenue for the state than the 25-cent per gallon tax applied to retail gasoline.

Last week, Governor M. Jodi Rell indicated that she would be willing to consider a cut in the gross receipts tax.

“There are a lot of things that go into creating an outrageous price at the gas pumps,” said Representative Scribner, who serves as Ranking Member on the legislature’s Transportation Committee. “This is one of the most obnoxious ingredients, and it is something the state can do something about right now.”

In 2005 the legislature increased the gross receipts tax from 5% to 7.5% to be instituted incrementally between that year and 2008. Scribner noted that as the cost of gas rises, naturally the money taken in from the gross receipts tax climbs incrementally as well. As a result of the recent inflation of gas prices at the pump, the state has taken in far more than it anticipated from the gross receipts tax. He stated that he would be in favor of calling a special session to address the issue.

“The state took in roughly \$1 billion this year in budget surplus,” said Scribner. “That’s a lot of over-taxing. There is simply no excuse to continue to squeeze money from motorists with both of these taxes. Gas prices are finally beginning to come down after some record highs this summer, and it is time for us to act to reduce this gross receipts tax and give Connecticut commuters and motorists some substantial relief. Waiting until the legislature reconvenes in January is far too long to wait to do something.”